



State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

January 5, 2011

Dear Interested Parties:

#### LOW INCOME HEALTH PROGRAM NOTIFICATION

The Department of Health Care Services (DHCS) is pleased to announce the opportunity for eligible governmental entities to apply for federal funding to implement a Low Income Health Program (LIHP). This program is authorized by Chapter 723, Statutes of 2010 (Assembly Bill 342), Welfare and Institutions Code Sections 15909 – 15915, and is approved under California's section 1115(a) Medicaid Demonstration, "Bridge to Reform" (Demonstration).

The Medi-Cal program has long been characterized by innovative delivery systems that recognize the diversity of the State and its people. California is clearly a leader in the design and implementation of cost-effective service delivery systems for its Medi-Cal program. This opportunity is another example of California's leadership.

The LIHP provides California with the opportunity to begin an early implementation of key coverage expansion components of the Patient Protection and Affordable Care Act. These components include the transition of low-income adults who are not eligible for the Medi-Cal program and Medicare, and who are receiving health care services through the existing local service delivery systems, to a coordinated health care services delivery system in 2014.

The Demonstration, which is effective November 1, 2010 through October 31, 2015, authorizes a combination of uncapped and restricted levels of federal funds for the LIHP. The funding will be used to expand health care coverage to eligible low-income adults, who are aged 19-64 and with family incomes at or below 200 percent of the Federal Poverty Level. Those eligible adults with family incomes above 133 percent of the Federal Poverty Level must be uninsured. The LIHP is effective from November 1, 2010 through December 31, 2013, at which time the LIHP enrollees will become eligible for the Medi-Cal program or the State Health Insurance Exchange. The LIHP is a voluntary local program, and the non-federal share of the federal reimbursement for health care services in the program must be provided by local, non-federal funds. There will be no State General Fund monies provided for this program.

DHCS will be soliciting applications from eligible governmental entities defined as a county, a city and county, a consortium of more than one county, or a health authority that are interested in developing and implementing the LIHP, which is also known in state statute as the Coverage Expansion and Enrollment Demonstration. The program requirements, application process and timeframe, and application form will be posted on the LIHP webpage through the DHCS website at <http://www.dhcs.ca.gov>, by **January 7, 2011**. Please note that the application process is not competitive and the federal funding and allocations requested by eligible entities in their applications will be authorized by DHCS when these entities demonstrate that all of the program requirements pursuant to state statute and the Special Terms and Conditions for the Demonstration are met.

DHCS urges all of California's governmental entities to seriously consider completing an application to implement a LIHP and by doing so, to participate in building the bridge to the health care reforms of 2014. DHCS is committed to partnering with local governments to help with efforts to expand and extend health care coverage to the eligible low-income adults in the State through this important component of the section 1115 Demonstration.

Thank you for your interest in the LIHP. Should you have any questions or need any additional information, please submit a request to the LIHP email address at [LIHP@dhcs.ca.gov](mailto:LIHP@dhcs.ca.gov), or to Bob Baxter at [bob.baxter@dhcs.ca.gov](mailto:bob.baxter@dhcs.ca.gov).

Sincerely,

A handwritten signature in blue ink, reading "Jalynne Callori".

Jalynne Callori, Chief  
Low Income Health Program Branch